

Message Text

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ACTION AF-10

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SUBJECT: URBAN FOUNDATION STATUS REPORT

REF: STATE 188410, JOHANNESBURG A-96: 76 JOHANNESBURG 2108

1. SUMMARY: THE FOLLOWING BRIEF STATUS REPORT ON THE URBAN FOUNDATION IS IN RESPONSE TO STATE 188410. THE URBAN FOUNDATION HAS NOW RAISED 10 MILLION RAND. THE ONLY US FIRM THUS FAR DIRECTLY INVOLVED IS MOBIL, ALTHOUGH OTHERS SUCH AS FORD AND IBM ARE UNDERSTOOD TO BE CONSIDERING CONTRIBUTIONS. EXPENDITURES INVOLVING OVER ONE MILLION RAND HAVE BEEN AUTHORIZED FOR FEASIBILITY STUDIES AND ACTION PROJECTS. THE FOUNDATION IS IN THE PROCESS OF PREPARING A CODE OF EMPLOYMENT PRACTICES (JOHANNESBURG A-96). END SUMMARY.

2. SINCE ITS INCEPTION LAST NOVEMBER, THE URBAN FOUNDATION HAS ATTRACTED TEN MILLION RAND IN DONATIONS (ONE RAND EQUALS APPROXIMATELY 1.15 US DOLLARS). IT IS PLANNING A PUBLIC CAMPAIGN TO ATTRACT ADDITIONAL DONATIONS. ITS ORIGINAL TARGET OF 25 MILLION RAND WAS RECENTLY REVISED UPWARD BY EXECUTIVE DIRECTOR JUSTICE J. H. STEYN. THE FOUNDATION PLANS TO ASK THE MEMBERS OF THE JOHANNESBURG STOCK EXCHANGE

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TO CONTRIBUTE EITHER TWO PERCENT OF AFTER TAX PROFITS OR 0.04 PERCENT OF TURNOVER. UTILIZING THIS FORMULA, IT CAN EXPECT IF SUCCESSFUL TO RAISE 64 MILLION RAND.

3. ACCORDING TO PROJECTS MANAGER DR. ROBIN LEE, THE ONLY AMERICAN FIRM THUS FAR TO CONTRIBUTE IS MOBIL, WHOSE MANAGING DIRECTOR BILL BECK IS ALSO A NATIONAL DIRECTOR OF THE

FOUNDATION. MOBIL HAS REPORTEDLY MADE A 250,000 RAND ONE TIME DONATION. OTHER FIRMS ARE BEING ASKED TO MAKE FIVE-YEAR COMMITMENTS WITH ANNUAL INSTALLMENTS. THE NEWLY APPOINTED MANAGING DIRECTOR OF FORD MOTOR IN PORT ELIZABETH, BRIAN PITT, INFORMED THE REGIONAL LABOR OFFICER LAST WEEK THAT FORD IS ALSO CONSIDERING JOINING THE FOUNDATION. ALTHOUGH A FINAL DECISION HAS NOT YET BEEN TAKEN, FORD'S DONATION COULD BE AS HIGH AS 500,000 RAND. WE UNDERSTAND FORD IS TRYING TO RAISE THIS AMOUNT IN DOLLARS FROM ITS US OPERATIONS. SEVERAL OTHER AMERICAN FIRMS ARE CONSIDERING MAKING CONTRIBUTIONS OR HAVE BEEN HELPFUL IN OTHER WAYS SUCH AS PROVIDING ADVICE. IBM HAS BEEN PARTICULARLY HELPFUL IN THE LATTER REGARD.

4. THE URBAN FOUNDATION IS LARGELY THE INSPIRATION OF HARRY F. OPPENHEIMER (ANGLO-AMERICAN) AND ANTON RUPERT (REMBRANDT GROUP) BUT HAS ATTRACTED THE SUPPORT OF A NUMBER OF SOUTH AFRICAN BUSINESSMEN AND ACADEMICS OF ALL RACES SUCH AS R.D. ACKERMAN (PICK AND PAY SUPERMARKETS), BEN MOKOATLE (UNIVERSITY OF SOUTH AFRICA AND WIEHAHN LABOR COMMISSION) AND SAM MOTSUENYANE (AFRICAN CHAMBER OF COMMERCE).

5. AS OF AUGUST 11, THE FOUNDATION HAD APPROVED ABOUT TWENTY-FIVE PROJECTS WHICH WILL INVOLVE AN EXPENDITURE OF 1,080,000 RAND. THE FOUNDATION IS CONCENTRATING ON THREE AREAS OF ACTIVITY: HOUSING, EDUCATION AND TRAINING, AND COMMUNITY PARTICIPATION LIMITED OFFICIAL USE

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PROJECTS. AUTHORIZED EXPENDITURES HAVE BEEN FOR INVESTIGATIONS INTO POLICY IN AREAS OF CONCERN TO THE FOUNDATION; FEASIBILITY STUDIES FOR SPECIFIC PROJECTS; ACTION PROJECTS IN COOPERATION WITH BLACK TOWNSHIP RESIDENTS; ACTION PROJECTS IN COOPERATION WITH OTHER ORGANIZATIONS; AND FINANCIAL ASSISTANCE TO LOCAL AUTHORITIES TO BE USED FOR PROJECTS SUCH AS HOUSING LOAN SCHEMES. THE ONLY SIGNIFICANT ACTION PROJECTS SO FAR APPROVED ARE A BLACK TOWNSHIP HOME IMPROVEMENT SCHEME IN THE TRANSVAAAL (150,000 RAND) AND A GRANT FOR THE ELECTRIFICATION OF A NUMBER OF SCHOOLS IN SOWETO (84,000 RAND).

6. AT THE FIRST MEETING OF THE FOUNDATION LAST YEAR TONY BLOOM OF PREMIER MILLING SUGGESTED THAT THE FOUNDATION COULD HAVE AN IMMEDIATE IMPACT BY DRAWING UP A CODE OF EMPLOYMENT PRACTICES. THIS WAS PUT IN THE FOUNDATION'S CONSTITUTION AND BLOOM WAS GIVEN RESPONSIBILITY IN EARLY APRIL FOR DRAWING UP SUCH A CODE. HE VISITED THE UNITED STATES IN MAY AND CONSULTED THE REVEREND LEON SULLIVAN AND THE CARNEGIE FOUNDATIO INTER ALIA. A DRAFT CODE HAS NOW BEEN DRAWN UP AND IS UNDER CONSIDERATION BY THE FOUNDATION'S DIRECTORS AFTER WHICH IT WILL BE SUBMITTED TO THE MEMBRSHIP BEFORE RELEASE TO THE PUBLIC.

7. ACCORDING TO BLOOM, THE FOUNDATION'S PROPOSED CODE IS MORE SPECIFIC THAN THE SO-CALLED SULLIVAN MANIFESTO. IT HAS EIGHT POINTS AND DEALS WITH THE QUESTION OF BLACK TRADE UNION RECOGNITION. TIME TARGETS FOR ACHIEVING THE EIGHT GOALS ARE SPECIFIED AND EACH PRINCIPLE IS BACKED UP BY A POSITION PAPER SETTING OUT THE OPPORTUNITIES AND PROBLEMS FOR SPECIFIC COURSES OF ACTION IN TERMS OF EXISTING SOUTH AFRICAN LEGISLATION.

8. COMMENT: SEVERAL TRADE UNION LEADERS HAVE EXPRESSED CRITICISM OF THE FOUNDATION IN RECENT CONVERSATIONS WITH THE RLO. THEIR CONCERN IS TWO-FOLD. THEY BELIEVE MORE OF THE FOUNDATION'S RESOURCES SHOULD BE DIRECTED TOWARD ACTION PROJECTS RATHER THAN LIMITED OFFICIAL USE

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THAN FEASIBILITY STUDIES AND ARE WORRIED THAT EMPLOYERS MAY FIND A CASH CONTRIBUTION TO THE FOUNDATION MUCH EASIER THAN IMPROVING WORK CONDITIONS. DEPENDING ON HOW IT IS PHRASED AND IMPLEMENTED, BLOOM'S PROPOSED CODE OF EMPLOYMENT PRACTICES COULD DO MUCH TO DISPEL THE LATTER ANXIETY.

9. WE ARE INCLUDING SEPARATELY A DETAILED DESCRIPTION OF THE FOUNDATION'S ORIGIN AND AIMS, STRUCTURE, MEMBERSHIP AND PROJECT GOALS.
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